

# **Class Actions in the Czech Legal Order**

## **Abstract**

A class action makes it possible to deal with similar claims of members of a certain group in a single proceeding, instead of forcing each injured party to assert his or her own claim in a separate proceeding. It is thus an important tool for collective protection of rights.

The draft law on collective proceedings, which is currently being debated by the Chamber of Deputies, is the result of many years of discussions on the need to adopt a comprehensive regulation of collective protection of rights – typical especially for *common law* countries – in the Czech Republic.

The original draft law on class actions, published in March 2019, was highly controversial and provoked a wave of sharp criticism, which eventually led to its comprehensive revision, including a change of name.

This piece of work aims to compare the key elements of the currently discussed version of the draft law on collective proceedings with the alternatives chosen by legislators in other countries, and especially with the original draft law on class actions.

The purpose of the work is to find out whether the Czech legislator managed to remove the most criticized aspects of the original draft law and eliminated the greatest risks arising from the new legislation.

The main benefit of this piece of work is the finding that the draft law on class actions in the originally proposed form would mean a revolution for the Czech civil procedure with significant consequences for both potential plaintiffs and defendants.

Although the current form of the draft law on collective proceedings represents lesser interference with the procedural law, some problematic aspects in the proposed regulation persist and there is room for further changes.

These include, in particular, the exclusive application of the *opt-in* principle, the establishment of stricter protection of information provided by the defendant in the context of

*discovery* or its possible abolition, the adoption of certain additional safeguards against the misuse of class actions or a restriction on the application of the draft law to claims arising before its entry into force.